3 August 1955

The Director of Central Intelligence MEMORANDUM FOR:

s 'Hemerandum of General E. B. Schwien entitled "National Intelligence or Netheds of Utilizing Information of a Potential Enemy of the United States"

l. In this paper General Schwien is principally concerned with two matters -- not necessarily relateds (1) How intelligence should not try to estimate enemy intentious but should stick to "capabilities"; and (2) How a Central Intelligence Service is badly needed and how it should go about making high level .estimates.

- In my view you do not have the time to read this paper.
- 3. When Ceneral Schrien uses the word "capabilities" as in the phrase "capabilities estimate", he includes at least two things: (1) a totting up of enemy forces, and (2) a discussion of the several possible courses of military action which these forces make feasible. In his language these possible courses of action are "capabilities"; they are not "intentions". Se far se good. When General Schwien uses the word "intentions" he means a prediction of "enceptly what a potential enemy will do." This Coneral Schrien finds a dangerous pursuit for an intelligence efficer. Agreed. Indeed I have never known an intelligence efficer who wanted to do the thing General Scheien finds dangerous.
- h. The only point of difference between the General and mest of the people concerned with NIE's is that the latter do not habitually use the word "capabilities" in the presise and classic way he uses it. They generally use it to mean me mere them the inventory of men under arms and the military heremers at their disposition. They do not include the courses of action which such power opens to the ensuy. Accordingly sees of our estimates have titles like "Capabilities and Probable Intentions

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of the USSR"; "Capabilities and Probable Courses of Action of the USSR"; or "Seviet Capabilities and Main Lines of Policy". According to General Schwien "Capabilities" of the USSR" would have sufficed to describe the content of these papers. More important, I feel sure that although us define the word "capabilities" differently from General Schwien, we do not write papers which violate his feeling about the word "intentions".

5. With respect to his notion as to the functions of a Gentral Intelligence Bureau, how the Bureau should be set up, and how it — pressisted — should go about making estimates. I find him not very helpful. The main points are best conveyed by the three quotations below.

Protions.

Intelligence Agency (sic) control all information gathering agencies such as military, Air, and Mavel Attaches abroad, foreign missions and espionage. . . /might include/ counter-espionage organizations such as the FBI."

Organisation

- b. "In very general terms the Central Intelligence Bureau should be subdivided into three main sub-sections, all interrelated under one head. Generally speaking, the principal subdivisions might be
 - (1) Information collecting section
 - . (2) Evaluation, Collation, and Interpretation .

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(3) Counter-intelligence

<u>Retimetes</u>

o. "The Chief of the Bureau and his assistants receive the evaluated, collated, and interpreted items of information and prepare "Estimates". The Estimates paint a negrative picture of any given situation and terminate with a conclusion paragraph presented in the form of "capabilities." 6. Pages 6 through 14 deal with examples of estimating.
The first case is apposite to the functions of a Central Intelligence Agency — namely Fearl Herbor; the last two cases: Ensemine Face and The Bulge admittedly would not have been averted by a Central Intelligence Agency. One wonders why they are included.

SHRMA KRIT Assistant Birector Setional Estimates